

JIM IRVIN
COMMISSIONER - CHAIRMAN
RENZ D. JENNINGS
COMMISSIONER
C. KUNASEK
COMMISSIONER



ARIZONA CORPORATION COMMISSION



0000000295

DATE: MARCH 23, 1998

DOCKET NO: W-01395A-97-0611

TO ALL PARTIES:

Enclosed please find the recommendation of Hearing Officer Scott S. Wakefield. The recommendation has been filed in the form of an Opinion and Order on:

QUEEN CREEK WATER COMPANY
(CC&N EXTENSION)

Pursuant to A.A.C. R14-3-110(B), you may file exceptions to the recommendation of the Hearing Officer by filing an original and ten (10) copies of the exceptions with the Commission's Docket Control at the address listed below by 4:00 p.m. on or before:

APRIL 1, 1998

The enclosed is NOT an order of the Commission, but a recommendation of the Hearing Officer to the Commissioners. Consideration of this matter has tentatively been scheduled for the Commission's Working Session and Open Meeting to be held on:

APRIL 6, 1998 and APRIL 7, 1998

For more information, you may contact Docket Control at (602)542-3477 or the Hearing Division at (602)542-4250.


JACK ROSE
EXECUTIVE SECRETARY

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 JIM IRVIN
3 COMMISSIONER - CHAIRMAN
4 RENZ D. JENNINGS
5 COMMISSIONER
6 CARL J. KUNASEK
7 COMMISSIONER

8 IN THE MATTER OF THE APPLICATION OF)
9 QUEEN CREEK WATER COMPANY FOR AN)
10 EXTENSION TO ITS EXISTING CERTIFICATE)
11 OF CONVENIENCE AND NECESSITY.)
12 _____)

DOCKET NO. W-01395A-97-0611

DECISION NO. _____

OPINION AND ORDER

13 DATE OF HEARING: March 16, 1998

14 PLACE OF HEARING: Phoenix, Arizona

15 PRESIDING OFFICER: Scott S. Wakefield

16 APPEARANCES: Mr. Charles Bischoff, KANE JORDEN von OPPENFELD
17 BISCHOFF & BISKIND, P.L.C., on behalf of Applicant; and

18 Mr. Peter Breen, Staff Attorney, Legal Division, on behalf of the
19 Utilities Division of the Arizona Corporation Commission.

20 **BY THE COMMISSION:**

21 On November 6, 1997, Queen Creek Water Company ("QCWC" or "Applicant") filed with the
22 Arizona Corporation Commission ("Commission") an application for an extension of its Certificate of
23 Convenience and Necessity ("CC&N" or "Certificate") to provide water utility service in Pinal County
24 and Maricopa County, Arizona.

25 On January 22, 1998, the Commission's Utilities Division ("Staff") filed its Staff Report.

26 On February 6, 1998, the Commission issued a Procedural Order setting the hearing. On March
27 16, 1998, a full public hearing was held before a duly authorized Hearing Officer of the Commission at
28 its offices in Phoenix, Arizona. Applicant and Staff appeared with counsel and presented evidence. At
the conclusion of the hearing, the matter was taken under advisement pending submission of a
Recommended Opinion and Order to the Commission.

* * * * *

Having considered the entire record herein and being fully advised in the premises, the
Commission finds, concludes, and orders that:

FINDINGS OF FACT

1. QCWC is an Arizona corporation engaged in providing water utility service to approximately 1,550 customers near the Town of Queen Creek in Pinal and Maricopa Counties, Arizona.

2. On November 6, 1997, QCWC filed with the Commission an application for an extension of its existing CC&N to include an additional four and one-half sections (the "extension area") which is more fully described in Exhibit A which is attached hereto and incorporated herein by reference.

3. QCWC has received requests for service from the property owners that represent the entire extension area. Some of the lands will be developed into subdivisions and the other land splits, not subject to subdivision requirements.

4. On January 22, 1998, Staff filed its Staff Report, which recommended approval of the application.

5. Applicant published notice of the hearing on the application in the East Valley Tribune on February 11, 1998.

6. The developers of the lands being subdivided have not obtained their Arizona Department of Water Resources Certificate of Assured Water Supply ("CAWS"). These CAWS may be obtained at various times due to the number of developments. Staff does not believe it necessary in this instance to require filing the CAWS as a condition of the granting of the amended Certificate.

7. Facilities to serve in the extension area will be financed through main extension agreements. At the time QCWC files the agreements for approval, it must file its Arizona Department of Environmental Quality ("ADEQ") "Approval to Construct", therefore, Staff does not recommend that QCWC be required to file its Approval to Construct in this proceeding.

8. Applicant has obtained a Maricopa County Franchise for the extension area.

9. QCWC is in compliance with the Commission's filing requirements, is current on its taxes and in compliance with the ADEQ.

10. In addition to recommending approval of the application, Staff recommended that Applicant continue to charge its existing rates and charges in the extension area until further order of the Commission.

11. No other public service corporation or municipally owned utility is currently serving the

1 proposed area.

2 12. Applicant has sufficient water supplies and physical plant to service to area purposed to
3 be added without adversely affecting existing customers.

4 13. Applicant has the necessary technical expertise and financial capability to service the area
5 sought by the Application without adversely affective existing customers.

6 14. Staff's recommendations, as set forth in Findings of Fact No. 10 are reasonable.

7 **CONCLUSIONS OF LAW**

8 1. QCWC is a public service corporation within the meaning of Article XV of the Arizona
9 Constitution and A.R.S. §§ 40-281 and 40-282.

10 2. The Commission has jurisdiction over Applicant and of the subject matter of the
11 application.

12 3. Notice of the hearing was given in accordance with the law.

13 4. Applicant is a fit and proper entity to receive an amended Certificate which encompasses
14 the extension area.

15 5. The public convenience and necessity require the extension of Applicant's Certificate to
16 include the extension area.

17 6. Staff's recommendations, as set forth in Findings of Fact No. 10 should be adopted.

18 **ORDER**

19 IT IS THEREFORE ORDERED that the application of Queen Creek Water Company for an
20 extension of its Certificate of Convenience and Necessity to include the area described in Exhibit A
21 attached hereto and incorporated herein by reference, be, and hereby is, granted.

22 ...

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28 ...

1 IT IS FURTHER ORDERED that Queen Creek Water Company shall charge its existing rates
2 and charges in the extension area until further order of the Commission.

3 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

4 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.
5

6 COMMISSIONER - CHAIRMAN COMMISSIONER COMMISSIONER

7
8 IN WITNESS WHEREOF, I, JACK ROSE, Executive Secretary of the Arizona
9 Corporation Commission, have hereunto set my hand and caused the official seal
10 of the Commission to be affixed at the Capitol, in the City of Phoenix, this
11 _____ day of _____, 1998.

12 JACK ROSE
13 EXECUTIVE SECRETARY

14 DISSENT _____
15 SSW:dap
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SERVICE LIST FOR: QUEEN CREEK WATER COMPANY

DOCKET NO.: W-01395A-97-0611

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EXHIBIT A

E ½ of Section 25, Township 2 South, Range 6 East of the G&SRB&M, Maricopa County, Arizona; E ½ and SW ¼ of Section 11, Township 2 South, Range 7 East of the G&SRB&M, Maricopa County, Arizona; Section 12, Township 2 South, Range 7 East of the G&SRB&M, Maricopa County, Arizona; SW ¼ of Section 26, Township 2 South, Range 7 East of G&SRB&M, Maricopa County, Arizona; NE ¼ of Section 29, Township 2 South, Range 7 East of the G&SRB&M, Maricopa County, Arizona; Section 35, Township 2 South, Range 7 East of the G&SRB&M, Maricopa County, Arizona; N ¾ of Section 36, Township 2 South, Range 7 East of the G&SRB&M, Maricopa County, Arizona.